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European Union

Grain and Feed

Weekly rice report, Brussels, December 8, 1998

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Report Highlights:

This weekly report contains data on rice prices in the U.S., Thailand and the EU. It also lists current import duties and export subsidies in the EU. All information will be published as such in the weekly USDA publication "Rice Market News".

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Brussels USEU [BE2], E2

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(1) MARKET SUMMARY

With an agreement replacing the Cumulative Recovery System between U.S. and EU authorities imminent at the end of 1998, U.S. companies submitted a large volume of bids to the AARQ under the next tranche of the EU rice TRQ. Purchasing interest was particularly strong for parboiled brown rice, resulting in bids exceeding available quantity under this quota tranche. Concurrent with strong demand for parboiled rice, both domestically and in the export markets, U.S. parboiling capacity is currently maximized, resulting in increasing prices for this type of rice. Offering prices basis C&F N.W. Europe listed below are now for January shipment, prices for 1 Brown parboiled 4/88 showing an increase to U.S.\$ 17.25/100 Lbs.

In Thailand, most rice prices increased from last week, especially for TWR. Price increases should, however, be temporary since they are mainly linked to logistical bottlenecks, i.e. strong export demand for Thai rice at times when new crop supplies are not yet available throughout the country.

The EU rice export business is still awaiting the opening of the 4 free market export tenders on December 10. Usually, the first occasion to bid under such tenders does not result in large numbers of licenses issued, since EU rice exporters want to get a feel for the level of export subsidies which the European Commission is willing to grant. EU rice prices listed below are applicable to rice shipments within the EU. In order to stimulate intra-EU demand, wholesalers may be willing to grant some discounts to these prices.

COMMISSION AWARDS UNDER OPEN MARKET EXPORT TENDERS, GRAIN MANAGEMENT MEETING OF December 3, 1998.

No activity.

(2) LOWEST OFFERING PRICES BASIS C&F ARAG (UNLESS OTHERWISE STATED), FOR JANUARY SHIPMENT

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(A) WHOLE LONG-GRAIN

	US\$/MT	US\$/100 LBS
	Bulk	Bulk
UNITED STATES:		
2 Milled 4 pct	396.81	18.00
2 Brown 4/73 pct	347.21	15.75
1 Brown parb 4/88 **	380.28	17.25
Medium Milled 2/4	385.79	17.50

* F.A.S. basis

** While nominal price quotes are for 1 BROWN PARB 4/88, these quotes in reality refer to rice that meets all U.S. No.1 requirements except for one or two categories. Current and historical trade practice is for rice shipped to the EU to be graded only as No.2 and to be further processed upon arrival.

	US\$/MT	US\$/100 LBS
	Bulk	Bulk
SURINAM:		
Brown 4/72 Pct Grade A *	N.Q.	N.Q.
Brown 6/70 Pct Grade B **	N.Q.	N.Q.
GUYANA:		
Brown 6/70 Pct Grade B **	N.Q.	N.Q.
SURINAM/GUYANA Semi-Milled:		
70-75 Pct Guyana	N.Q.	N.Q.
70-75 Pct Surinam	N.Q.	N.Q.

* C&F Liner out Rotterdam

** C&F F/O Rotterdam

	US\$/MT	US\$/100 LBS
	Bulk	Bulk
THAILAND:		
TWR 100% B	330.00 C&F	14.97
Parb LZ 4-88%	335.00 C&F	15.20
Loonzain 100% B	305.00 C&F	13.84
A1 Super	280.00 C&F	12.70
Fragrant WR 100%	500.00 C&F	22.68
Fragrant LZ Super	440.00 C&F	19.96
Fragrant LZ Supreme	460.00 C&F	20.87

EUROPEAN UNION *:		
Milled LG 5 Pct	596.06	27.04
Milled parb LG	662.29	30.04

(B) WHOLE RMG

	US\$/MT	US\$/100 LBS
	Bulk	Bulk
ITALY*:		
Milled Medium 5 Pct **	565.95-584.02	25.67-26.49
Camolino 5 Pct	N.Q.	N.Q.

* Lira/U.S.\$ exchange rate per 12/07/98: \$1=ITL 1660.91

** FOT Vercelli area

(3) IMPORT LEVIES ARE CHANGED SINCE 11/26/98

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	ECU/MT	ECU/MT	US\$/MT	US\$/MT
	General	ACP	General	ACP
Brown RG+MG Regul + Parb	252.02	83.87	293.93	97.82
Brown LG Regul + Parb	252.31	83.97	294.27	97.93
Milled RG Regul + Parb	462.39	149.44	539.29	174.29
Milled MG + LG Regul + Parb	462.39	149.44	539.29	174.29
Brokens	152.00	49.58	177.28	57.83

ECU/US\$ exchange rate 12/07/98= 1.1663

(4) EXPORT SUBSIDIES ON RICE, effective 11/27/98

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	ECU/MT	US\$/MT
Brown RG+MG+LG Reg, RG+MG+LG Parb, to Switzerland, Liechtenstein, Livigno and Campione d'Italia	86.00	100.30

Semi-milled RG+MG+LG Reg, RG+MG+LG Parb to Switzerland, Liechtenstein, Livigno and Campione d'Italia	86.00	100.30
Milled RG+MG+LG Reg, RG+MG+LG Parb, to Switzerland, Liechtenstein, Livigno and Campione d'Italia	108.00	125.96
Milled RG+MG+LG Reg, RG+MG+LG Parb, to Zones I, II, III, VI, Ceuta and Melilla	114.00	132.96
Milled RG+MG+LG Reg, RG+MG+LG Parb, to Zones IV, V, VII (C), Canada, Zone VIII, with the exception of Surinam, Guyana and Madagascar	119.00	138.79
Milled RG+MG+LG Reg, RG+MG+LG Parb, to destinations mentioned in Art. 34 of amended Comm. Reg. 3665/87 (=Supplies to internat. organiz. established in the EU, supplies to armed forces etc.)	-	-